

Natural Resources Defense Council

Environment California

Environmental Defense Fund

Energy Independence Now

Sierra Club California

African American Environmentalist Association

Planning and Conservation League

Audubon California

American Council for an Energy-Efficient Economy

Earth Day Los Angeles

Center for Energy Efficiency and Renewable Technology

Clean Air Now

California League of Conservation Voters

Coalition for Clean Air

Transportation and Land Use Coalition

Community Environmental Council

Friends of the Earth

San Diego Environmental Foundation

Coalition on the Environment and Jewish Life (COEJL) of So. Cal.

Earthjustice

California Interfaith Power and Light

The Interfaith Environmental Council

June 13, 2008

Mary Nichols, Chairperson
California Air Resources Board
1001 'I' Street • P.O. Box 2815
Sacramento, CA 95812

RE: AB 32 Scoping Plan – FEEBATES as a Transportation Sector Strategy

Dear Chairperson Nichols:

We, the undersigned, urge the California Air Resources Board to include in the AB 32 scoping plan a clear and explicit appeal to the state legislature for authorization and direction to create a vehicle feebates program to reduce global warming emissions from within the transportation sector.

A feebates mechanism is a program that would assign one-time surcharges and rebates on new passenger cars and trucks on a sliding scale based upon their emissions of global warming pollution. The rebates and surcharges act as incentives for consumers to purchase, and for manufacturers to produce, cleaner, lower-emitting vehicles.

A vehicle feebates program can work well independently or in conjunction with existing vehicle emission regulations. Based on the results of a study by the University of Michigan's Transportation Research Institute (UMTRI), experts at the Union of Concerned Scientists estimate that, as a complement to California's existing global warming standards for vehicles, a feebates program can achieve a GHG reduction of an additional 21 percent.

An effective feebates program should entail several key features. The program should be designed to achieve the maximum feasible and cost-effective global warming emission reductions, consistent with the requirements of AB 32. The program should, to the maximum extent feasible, be self-financing, so that the surcharges pay for the rebates and administrative costs. The calculation of surcharges and rebates should be based primarily on a continuous scale to avoid unfair or confusing discontinuities, and the dollar amounts should be sufficient to affect behavior, whether upstream or at the retail level.

Importantly, a feebates program should complement the state's efforts to improve air quality and ensure that no loss of emissions benefits occurs for any criteria pollutant as the result of any specific program design consideration.

Thank you for the good work you do and thank you for considering our request.

Sincerely,

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Judy Bishop
San Diego Environmental Foundation

Lee Wallace
Coalition on the Environment and Jewish Life (COEJL) of Southern California
The Interfaith Environmental Council (of Los Angeles)

cc: Linda Adams, CalEPA Secretary
Dan Dunmoyer, Governor's Cabinet Secretary
Chuck Shulock, CARB
John Moffatt, Governor's Deputy Legislative Affairs Secretary